UNDERSTANDING ALICE®
A toolkit for raising awareness for ALICE Households in Southeast Louisiana – UnitedWaySELA.org/ALICE

CONTENTS:

TALKING POINTS

— Regional Messages
— Why are there so many ALICE Households in Southeast Louisiana?

FACT SHEET

— Household Survival Budget
— Households by Income
— Parish Data

KEY FINDINGS

COVID-19 AND ALICE

ALICE RACE FACTS

PURPOSE OF THE ALICE REPORT

GENERIC ALICE MESSAGES

The ALICE Report for Louisiana and Regional Report for Southeast Louisiana are available for review and download at UnitedWaySELA.org/ALICE. Special thanks to the Entergy Corporation for their commitment as our lead state and regional sponsor.
TALKING POINTS
THE UNITED WAY ALICE REPORT IS THE MOST COMPREHENSIVE DEPICTION OF NEED IN SOUTHEAST LOUISIANA TO DATE.

- The updated ALICE report reveals the financial hardships of many Southeast Louisiana households.
  - Standing for Asset Limited, Income Constrained, Employed - ALICE represents the hardworking taxpayers in our community struggling to make ends meet and living just one health emergency, car repair, or harsh storm away from poverty.
  - ALICE has a difficult time affording the basics of housing, food, health care, child care, transportation, and technology, despite working.

- More than 262,500 households – or 52 percent of Southeast Louisiana’s population live below the ALICE threshold.
  - ALICE households earn above the poverty level but below the Household Survival Budget. Households living under the ALICE threshold include both ALICE and households in poverty.
  - While the Federal Poverty Level reports that only 18 percent of Louisiana households face financial hardship, an additional 34 percent qualify as ALICE.

- Across Southeast Louisiana, more than 52 percent of households have a difficult time affording the basics of housing, child care, food, health care, transportation, taxes, and technology.
  - Households across Southeast Louisiana - comprised of all races, genders, and ages - cannot afford the basics.
  - When households face difficult economic conditions and cannot afford basic necessities, they are forced to make difficult choices and take risks that have consequences for their households and their communities.
  - Ultimately, ALICE families have both the greatest risk of job loss and the least access to resources to soften the blow.

LOUISIANA’S PERCENTAGE OF ALICE HOUSEHOLDS TIES IT FOR THE HIGHEST PERCENTAGE OF ALL 50 STATES. WHY ARE THERE SO MANY ALICE HOUSEHOLDS IN LOUISIANA?

Despite overall improvement in the economy, ALICE continues to face challenges from low wages, reduced work hours, depleted savings, and increasing costs.

- The basic cost of living is increasing for ALICE households.
  - From 2007 to 2018, the cost of household essentials, like housing, child care, food, transportation, and health care, increased faster than the cost of other goods and services.
  - The ALICE Essentials Index, a new tool that measures change over time in the cost of essentials, increased at an average rate of 3.4% annually nationwide over the past decade, while the official rate of inflation was 1.8%.
  - Single adults now need an annual salary of over $26,400, while a family of four needs an annual salary of over $75,000 - just to afford the basics.
Worker vulnerability is increasing while wages stagnate in ALICE jobs.

By 2018, a near-record-low number of people were reported to be unemployed, but that low unemployment concealed three trends that expose ALICE workers to greater risk:

- Growth in the number of low-wage jobs,
- Minimal increases in wages, and
- More fluctuations in job hours, schedules, and benefits that make it harder to budget and plan.

In 2018, a record number of Louisiana workers — 55% — were paid by the hour, and 64% of the state’s jobs paid less than $20 per hour. Hourly paid jobs tend to have lower wages, fewer benefits, and less stability.

An increase in contract and on-demand jobs is leading to less financial stability and health care coverage.

The number of ALICE households is increasing in Louisiana as a result of rising costs, increased worker vulnerability, stagnant wages, and the impacts of COVID-19. There are more ALICE households than households in poverty, and the number of ALICE households is increasing at a faster rate. The Federal Poverty Level, with its minimal and uniform national estimate of the cost of living, far underestimates the number of households that cannot afford to live and work in the modern economy.

The bottom line is, ALICE households are forced to make difficult choices often skipping preventative health care, accredited child care, quality food, or car insurance. These “savings” threaten their health, safety, and future, and the costs are high for both ALICE and the wider community.

LEARN MORE ABOUT DIFFERENT TYPES OF HOUSEHOLDS IN SOUTHEAST LOUISIANA AND REVIEW THE FULL ALICE REPORT AT: www.UnitedWaySELA.org/ALICE
### HOUSEHOLD SURVIVAL BUDGET, 2018

**Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, & Washington parishes**

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<tr>
<th></th>
<th>Single Adult</th>
<th>2 Adults, 2 in Child Care</th>
<th>Single Senior</th>
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<td><strong>ANNUALLY</strong></td>
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<td><strong>Hourly Wage</strong></td>
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</tr>
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</table>

### HOUSEHOLDS BY INCOME, 2010-2018

**Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, & Washington parishes**

- **State** - 1,735,620 Households
  - 4,659,978 Population
  - $47,905 Median Household Income
  - 6.4% Unemployment Rate

- **SELA** - 504,873 Households
  - 1,328,372 Population
  - $46,570 Median Household Income
  - 8.0% Unemployment Rate
POVERTY + ALICE = Below ALICE Threshold

Jefferson – 167,596 Households
434,051 Population
$50,766 Median Household Income
5.5% Unemployment Rate

Orleans – 155,104 Households
391,006 Population
$38,423 Median Household Income
7.9% Unemployment Rate

Plaquemines – 8,817 Households
23,373 Population
$52,386 Median Household Income
3.6% Unemployment Rate

St. Bernard – 15,029 Households
45,694 Population
$46,011 Median Household Income
10.3% Unemployment Rate

St. Tammany – 93,589 Households
258,111 Population
$65,392 Median Household Income
5.6% Unemployment Rate

Tangipahoa – 47,401 Households
133,777 Population
$48,205 Median Household Income
8.9% Unemployment Rate

Washington – 17,337 Households
46,457 Population
$34,985 Median Household Income
11.0% Unemployment Rate
KEY FINDINGS

THE UNITED WAY ALICE REPORT UPDATE FOR LOUISIANA ADVANCES INFORMATION BY TWO
YEARS, UPDATING DATA SOURCES FROM THE YEARS 2016 TO 2018.

– The 2018 data increases the number of Southeast Louisiana ALICE households by 6%, while the
percentage in poverty increased by a percentage point to 18%.
– This percentage represents 36,449 more ALICE households struggling to make ends meet
throughout the region. Since 2010, SELA households below the ALICE threshold has increased
11%.
– The average Household Survival Budget for a Southeast Louisiana residents increased
dramatically in 2018 by as much as 29%.
  – The Household Survival Budget for family of four increased to $75,720 (+29%) — more than
double the U.S. family poverty level of $25,100.
  – The Household Survival Budget for an individual is $26,400 (+23%), with the poverty level set
at $12,140.
– A record number of Louisiana workers — 55% — were paid by the hour, and 64% of the state’s
jobs paid less than $20 per hour.
  – Changes in the economy have grown the low-paying service economy and decreased job
opportunities for ALICE households.
– Child care, representing a Southeast Louisiana family’s greatest expense, averaged $1,252 per
month for two children in licensed and accredited child care.
  – Though more families are headed by married parents, families with a single parent are more
likely to have income below the ALICE Threshold.
– Seniors (57%), Black households (70%), and single-female-headed families with children (84%)
had a disproportionately high percentage of families below the ALICE Threshold.
  – Financial hardship grew across all races and ethnicities since 2010, but at a much faster rate
for non-White households.
– Louisiana’s largest cities — New Orleans (57%), Baton Rouge (61%) and Shreveport (60%)— each
have more than 57% percent of households living below the ALICE threshold.
  – Households living below the ALICE Threshold make up between 38% and 72% of the population
in every parish in Louisiana.
– If all households earned enough to meet their basic needs, not only would each family’s hardship
be eased, but the Louisiana economy would grow by $55.3 billion per year through additional
earnings, tax revenue, and community spending.
COVID-19 AND ALICE

According to the latest ALICE Report, COVID-19 hit Southeast Louisiana hard because so many households in our region were struggling before the crisis. The virus amplified issues we are addressing like disparities in health, education, and financial stability. That’s why nonprofit partners and government officials turn to United Way for help.

The economic effects of COVID-19 will have a significant, lasting impact on ALICE families who cannot afford to miss work or access health care if they get sick. To better understand the effects of the coronavirus pandemic on ALICE households and our entire community, United Way of Southeast Louisiana joined the Louisiana Association of United Ways to conduct a statewide COVID-19 survey in May 2020. Results are available for review at LAUnitedWay.org.

We are committed to using this data to inform our relief and recovery efforts, including state and national advocacy. We are also continuing work to build on this initial data and gain a deeper understanding of how COVID-19 is impacting communities of color.

ALICE RACE FACTS

For more than a decade, the ALICE Report has shed a light on the disparity of economic opportunity that exists in every state. The data show that while hardship is pervasive, the history of slavery and its ongoing legacy of systemic and institutional racism stigmatizes Black households uniquely.

In Southeast Louisiana, the analysis of the actual cost of living shows that 52% of all households do not earn enough to cover basic expenses. This gap between wages and the cost of living is a structural economic problem, in our region, across the state, and nationwide.

Yet for Black households, that number is much higher: 70% of Black households in Southeast Louisiana are unable to afford basic household essentials. This is almost three times the rate of hardship shown for Black households by the antiquated and arbitrary Federal Poverty Level (FPL), and almost twice the rate of hardship for White households.

From 2010 to 2018 — which covers the “recovery” from the Great Recession — the number of Black households below the ALICE Threshold (the minimum income needed to afford household basics) in Louisiana increased by 17%, while the number of White households struggling to make ends meet increased by 11%.
**GENERIC ALICE MESSAGES**

ALICE has a difficult time affording the basics of housing, food, health care, childcare, transportation, and technology, despite working.

ALICE represents hardworking, tax-paying individuals who get up every day to go to work but who aren’t sure how they will make ends meet.

ALICE lives paycheck-to-paycheck, unable to set aside savings for an emergency and forced to make short-term choices that can result in long-term consequences.

ALICE is vulnerable to just one emergency — one job interruption, one health emergency, one car repair, one harsh storm. When that emergency occurs and ALICE is unable to work, the consequences have a domino effect on the overall stability of a family.

**PURPOSE OF THE UNITED WAY ALICE REPORT**

The United Way ALICE Report for Louisiana provides a range of research-based data — from state-level to town-level so challenges can best be identified and solutions can be suggested and measured at every scale.

Our goal is to equip stakeholders across all sectors and to encourage the use of its findings to remove obstacles to financial stability, identify gaps in community resources, and build data-driven solutions to help ALICE families achieve economic stability, strengthening the state’s economy overall.

The report provides no “silver bullet” or single solution to solve the complex challenges ALICE faces every day. The United Way ALICE Report for Louisiana can be a vital tool to confront challenging policy, budgetary, or planning at state, parish, or community-based tables.

United Ways throughout Louisiana are seeking solutions for ALICE and invite partners from all sectors to be a part of this effort. The United Way ALICE data is freely shared upon request.

The ALICE Report for Louisiana and Regional Report for Southeast Louisiana are available for review and download at UnitedWaySELA.org/ALICE. Links to more dynamic digital information found at the United for ALICE digital research center located at UnitedForALICE.org/Louisiana.

We collaborate with United For ALICE and the Louisiana Association of United Ways to support the ALICE Project in Louisiana.